**GOVERNMENT OF ANDHRA PRADESH**
**A B S T R A C T**

Finance Department – Guarantees- Issue of Government Guarantee to the Andhra Pradesh State Development Corporation Limited for Rs.25,000 crore, subject to usual terms and conditions – Orders - Issued.

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**FINANCE (PMU-CASPS, FC & IF) DEPARTMENT**

**G.O.MS. No.92** **Dated: 03.11.2020**

**Read the Following:**

1. G.O.MS.No.80, Finance (PMU-CASPS, FC&IF) Department, dated 27-08-2020 relating to formation of Andhra Pradesh State Development Corporation Limited.
2. Andhra Pradesh Ordinance No. 14 of 2020, dt: 29-09-2020 relating to Andhra Pradesh State Development Corporation.
3. Letter of VC&MD, APSDC/Letter to GoAP/2020-21/10, dated 2-11-2020.

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ORDER:

1. The Government, in the reference 1st read above, has established a dedicated Corporation namely "Andhra Pradesh State Development Corporation (APSDC)" as a 100% State owned Public Limited Company, with the mandate of planning, funding and financing social and economic development projects and activities in the State of Andhra Pradesh.

2. Clause 18 of the Ordinance No. 14 of 2020, in the reference 2nd cited above, provides as follows:

*"The Corporation may seek State Government guarantee for the debt servicing whenever necessary and the Government shall guarantee the payment of the amounts due subject to agreed conditions of such guarantee provided"*

3. In the reference 3rd read above, the VC&MD, APSDC has inter-alia informed that APSDC is in the process of raising finances from different banks in the form of rupee term loans to the extent of Rs.25,000 crore & requested the Government to issue conditional Government Guarantee for Rs.25,000 crore for the same.

4. Government, after careful examination of the matter, hereby extend the Government Guarantee to the Andhra Pradesh State Development Corporation for the purpose of raising rupee term loans for an amount of Rs.25,000 crore, subject to the following terms and conditions;

(i) The Government Guarantee shall come in to force only in the event of (a) Rollback of Additional Retail Excise Tax (ARET) and /or (b) Reduction of ARET rate by GoAP (c) Subsuming of ARET into GST (d) Prohibition on sale of Liquor in the State of AP and (e) Debt Service Reserve Account (DSRA) not restored to the required level within 45 days after utilization.

(ii) Loan Servicing shall be done from the ARET revenues escrowed to the APSDC.

(P.T.O)

(iii) Payment of one time Guarantee Commission of (2) % on the Guaranteed amount to Government of Andhra Pradesh.

(iv) The deed shall not be valid, unless it is signed by the authorized Officer of the Finance Department, Government of Andhra Pradesh.

(v) The Guarantee stands for repayment of Principal and Interest for the tenure of the loan.

5. The VC & MD of the APSDC shall take further necessary action in the matter accordingly.

6. This order issues with the concurrence of Finance (CDM) Dept., vide their U.O.No.FIN01-COOR0MISC/49/2020-CASPS-FC, Dt: 03-11-2020.

7. A copy of the G.O.is available at https://goir.ap.gov.in.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**SHAMSHER SINGH RAWAT**
**PRINCIPAL FINANCE SECRETARY**

To
The Special Chief Secretary to Government, Revenue (CCT & Excise) Dept.
The VC & MD APSDC
The Director Treasuries & Accounts, Ibrahimpatnam
The CEO, APCFSS, Ibrahimpatnam
The Secretary to Government (B&IF), Finance Department.

Copy to
All the Departments in A.P. Secretariat, Velagapudi, Amaravati.
All the Heads of Departments in A.P.
The Principal Accountant General (Audit), A.P. Hyderabad.
The Principal Accountant General (A&E), A.P Hyderabad.
The Regional Director, RBI, Hyderabad.
The Registrar of Companies, A.P.
The OSD to the Hon'ble Chief Minister.
The OSD to the Minister for Finance.
The OSD to the Chief Secretary.
The PS to the Principal Finance Secretary.
The PS to the Principal Secretary, Revenue Department.
The PS to the Secretary to Govt. (RM & IF), Finance Department
The PS to the Special Secretary to Govt. (B&HR), Finance Dept.
SF/SC's(1253632)

**//FORWARDED::BY ORDER//**

**SECTION OFFICER**